

Message Text

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ACTION SCI-06

INFO OCT-01 EUR-25 EA-11 ISO-00 SPC-03 ACDA-19 CIAE-00

INR-10 IO-14 L-03 NSAE-00 NSC-10 RSC-01 SCEM-02 EB-11

COME-00 NSF-04 AEC-11 PM-07 INT-08 DRC-01 /147 W

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R 191508Z DEC 73

FM AMEMBASSY BERN

TO SECSTATE WASHDC 8537

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY MADRID

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION IAEA VIENNA

C O N F I D E N T I A L BERN 5111

E.O. 11652: GDS

TAGS: TECH, TGEN, ENRG, EC, SZ

SUBJECT: EUROPEAN URANIUM ENRICHMENT PLANT

REF: STATE 245034

1. SUMMARY. SWISS GOVERNMENT SUPPORT CONCEPT OF EURODIF
URANIUM ENRICHMENT PLANT WITH US MINORITY PARTICIPATION THROUGH
PROVISION DIFFUSION TECHNOLOGY AND FINANCIAL CONTRIBUTION AND HAS
SO INDICATED TO TWO SWISS UTILITIES PARTICIPATING IN OPEN GROUP.
BUT SINCE NO SWISS ENTITY PARTICIPATING IN EURODIF, SWISS FEEL IT
INAPPROPRIATE PARTICIPATE IN ANY INTER-GOVERNMENTAL DIS-
CUSSIONS. CURRENT ENERGY SITUATION HELPING ACCELERATE
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WORK ON THREE POWER REACTORS SCHEDULED FOR STARTUP LATE

IN 1970'S. IN INTEREST SUPPLY DIVERSIFICATION, SWISS
MOVING TOWARD POLICY OF REDUCED DEPENDENCE ON USAEC AS
SOLE SOURCE ENRICHMENT. END SUMMARY.

2. EMBOFFS MET DECEMBER 18 WITH CLAUDE ZANGGER, DIRECTOR,
SWISS NUCLEAR ENERGY DIVISION, TO MAKE APPROACH PARA 4
REFTEL. WE LEFT INFORMAL PAPER CONTAINING POINTS A, B
AND C, AND COPIES AEC-WYART EXCHANGES. ZANGGER SAID THAT
REPS OF TWO SWISS PUBLIC UTILITY ASSOCIATIONS PARTICIPA-
TING IN OPEN HAD COME TO HIM ON RECEIPT AEC NOVEMBER 16
TELEX TO WYART TO DISCUSS ROLE OF GOS. ZANGGER SAID HE
HAD INFORMED UTILITY REPS THAT GOS WOULD FULLY SUPPORT
CONCEPT OF US COLLABORATION WITH EUROPE THROUGH SHARING
OF TECHNOLOGY AND FINANCIAL/INDUSTRIAL MINORITY PARTICI-
PATION. HE COULD SEE THAT SUCH COOPERATION MIGHT BENEFIT
EURODIF TECHNOLOGICALLY AND BY REDUCING COSTS. HE
EXPRESSED DEGREE OF SKEPTICISM, HOWEVER, WHETHER SOME
EURODIF PARTICIPANTS (I.E. FRANCE) WOULD AGREE TO US
PARTICIPATION. ZANGGER THOUGHT IT WOULD BE SERIOUS
MISTAKE, UNREALISTIC, AND ADD TO OVER-CAPACITY PROBLEM
SHOULD OPEN UTILITIES SEEK DIFFUSION PLANT IN EUROPE WITH
US PARTICIPATION SEPARATE FROM EURODIF.

3. ON QUESTION OF GOVERNMENT ROLE IN DISCUSSIONS,
ZANGGER DID NOT SEE WHY SWITZERLAND SHOULD BE INVOLVED.
OPEN MEMBERS, INCLUDING TWO SWISS UTILITY PARTICIPANTS, WOULD
BE CLIENTS NOT OWNERS OR OPERATORS OF DIFFUSION
PLANT WHICH PRESUMABLY WOULD BE EURODIF. (HE RECOGNIZED
THAT IN SOME OTHER EUROPEAN COUNTRIES OPEN MEMBERS AND
PARTICIPANTS IN EURODIF MAY OVERLAP.) SWITZERLAND HAS
NOT PARTICIPATED IN EURODIF AND APPARENTLY HAS NO INTEN-
TION OF DOING SO, AND THUS GOS WOULD PRESUMABLY NOT BE IN
APPROPRIATE POSITION TO TAKE PART IN DISCUSSIONS WITH USG.
EXAMPLE OF SWISS NEUTRAL ROLE IN EUROPEAN ENRICHMENT
MATTERS CITED BY ZANGGER WAS HIS PARTICIPATION IN EC
ENRICHMENT STUDY GROUP AND UNSUCCESSFUL EFFORTS MADE IN
THAT BOY BY THOSE COMMITTED TO URENCO AND EURODIF TO
HAVE SWISS COME DOWN CLEARLY ON ONE SIDE OR OTHER.

4. ZANGGER ADMITTED THAT PRESSURES OF RECENT ENERGY
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MATTERS HAD PREVENTED HIM FROM BEING FULLY ABREAST OF
OPEN/AEC DISCUSSIONS. FOR EXAMPLE, HE WAS UNDER IMPRES-
SION THAT USAEC HAD TAKEN INITIATIVE TO MAKE OFFER TO
OPEN, WHICH SURPRISED HIM SINCE HE ASSUMED USG WOULD
PREFER TO DEAL WITH GOVERNMENTS RATHER THAN EUROPEAN
PRIVATE ORGANIZATION. ZANGGER SAID HE HAD PREVIOUSLY
ONLY SEEN SOME OF AEC/WYART EXCHANGES. HE WILL BE IN
TOUCH SHORTLY WITH SWISS OPEN PARTICIPANTS (PILICIER AND

SCHAEER) AND MIGHT WANT TO DISCUSS SITUATION FURTHER
WITH EMBASSY IN JANUARY.

5. ZANGGER SAID THAT GOESGEN REACTOR SLATED FOR CONSTRUCTION
START IN FEBRUARY 1974 IS COMMITTED TO USAEC
ENRICHMENT. SECOND REACTOR PROJECT (LIEBSTADT) IS
PRESENTLY WEIGHING OFFERS FROM USAEC, EURODIF, AND USSR,
WHILE HE DID NOT KNOW PLANS OF THIRD PROJECT (KAISERAUGST).
SWISS ESTIMATE NEED FOR 10/12 NUCLEAR POWER REACTORS BY
YEAR 2000 INCLUDING THREE IN OPERATION AND THREE TO BE
COMPLETED BY 1980. TREND HAS ALREADY BEEN NOTED THIS
WINTER TOWARD GREATER USE ELECTRICITY FOR HEATING AND IF
THIS CONTINUES BECAUSE OF HEATING OIL SHORTAGES OR HIGHER
COSTS, SOME SHORTFALLS IN SUPPLY MAY OCCUR ABOUT 1975 UNTIL
ADDITIONAL REACTOR BEGINS OPERATION IN 1978.

6. ZANGGER SAID HE THOUGHT RECENT FORCEFUL RECOGNITION
OF SWISS DEPENDENCE ON ARAB OIL WOULD FORCE SEVERAL CHANGES
IN DIRECTION SWISS ENERGY POLICY. FOR EXAMPLE, PLANS
BEING MADE BUILD ADDITIONAL REFINERY (TWO NOW EXIST IN
SWITZERLAND) SO THAT TWO-THIRDS SWISS FUEL OIL
REQUIREMENTS CAN BE PROCESSED IN COUNTRY INSTEAD OF
ABOUT 40 PERCENT AT PRESENT. SUCH ADDITIONAL CAPACITY
WOULD ALLOW SWISS DEAL DIRECTLY WITH PRODUCER COUNTRIES
FOR CRUDE. SIMILARLY, HE THOUGHT SWITZERLAND SHOULD
REDUCE DEPENDENCY ON US AS SOLE SOURCE URANIUM ENRICHMENT
AND MOVE TOWARD DIVERSIFICATION. ZANGGER SAID THAT THIS
WAS NOT YET GOS POLICY BUT HE EXPECTED IT MIGHT WELL
BECOME SO IN COMPREHENSIVE ENERGY POLICY STATEMENT TO BE
SUBMITTED TO FEDERAL COUNCIL FOR APPROVAL IN 1974.
ZANGGER EMPHASIZED THAT UTILITIES PLANNING THREE PENDING
REACTORS WOULD BE FREE AS IN PAST TO MAKE OWN DECISION
ON FUEL SUPPLY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 19 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BERN05111
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: BERN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731217/aaaaambo.tel
Line Count: 155
Locator: TEXT ON-LINE
Office: ACTION SCI
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: STATE 245034
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 29 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29-Aug-2001 by martinml>; APPROVED <15-Oct-2001 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EUROPEAN URANIUM ENRICHMENT PLANT
TAGS: TECH, TGEN, ENRG, EC, SZ
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005